

## Department of Energy

970.2201-1-2

The term “option” as used in this subpart means a unilateral right in the contract by which the Government can extend the term of the contract. Accordingly, except as may be provided for through the inclusion of an option(s) in the contract to extend the term, any extension to continue the contract with the incumbent contractor beyond its term shall only occur when such extension can be justified under one of the statutory authorities identified in 48 CFR 6.302 and when authorized by the Head of the Agency.

(b) *Exercise of option.* As part of the review required by 48 CFR 17.605(b), the contracting officer shall assess whether competing the contract will produce a more advantageous offer than exercising the option. The incumbent contractor’s past performance under the contract, the extent to which performance-based management contract provisions are present, or can be negotiated into, the contract, and the impact of a change in a contractor on the Department’s discharge of its programs are considerations that shall be addressed in the contracting officer’s decision that the exercise of the option is in the Government’s best interest. The contracting officer’s decision shall be approved by the Procurement Executive and the cognizant Assistant Secretary(s).

(c) *Conditional Authorization of Non-competitive Extension Made Pursuant to Authority Under CICA.* Authorization to extend a management and operating contract by the Head of the Agency shall be considered conditional upon the successful negotiation of the contract to be extended in accordance with the Department’s negotiation objectives. The Head of the Contracting Activity shall advise the Procurement Executive no later than 6 months after receipt of the conditional authorization as to whether the Department’s objectives will be met and, if not, the contracting activity’s plans for competing the requirement.

### 970.1706-2 Contract clause.

The contracting officer shall insert the clause at 48 CFR 52.217-9, Option to Extend the Term of the Contract, in all management and operating contracts

when the inclusion of an option is appropriate.

## Subpart 970.19—Small, Small Disadvantaged and Women-Owned Small Business Concerns

### 970.1907 Subcontracting with Small Business, Small Disadvantaged Business and Woman-Owned Small Business Concerns.

#### 970.1907-1 Subcontracting plan requirements.

Pursuant to the clause at 48 CFR 52.219-9, Small Business Subcontracting Plan, which is required for all management and operating contracts, each management and operating contract shall include a subcontracting plan which is effective for the term of the contract. Goals for the contract shall be negotiated annually when revised funding levels are determined. The plan should include provisions for revising the goals or any other sections of the plan. Such revisions shall be in writing, approved by the contracting officer, and shall be specifically made a material part of the contract.

## Subpart 970.22—Application of Labor Policies

### 970.2200 Scope of subpart.

This subpart prescribes Department of Energy labor policies pertaining to the award and administration of management and operating contracts.

### 970.2201 Basic labor policies.

#### 970.2201-1 Labor relations.

##### 970.2201-1-1 General.

Contracting officers shall, in appropriate circumstances, follow the guidance in 48 CFR Subpart 22.1, as supplemented in this section, in the award and administration of management and operating contracts.

##### 970.2201-1-2 Policies.

(a) The extent of Government ownership of the nation’s energy plant and materials, and the overriding concerns of national defense and security, impose special conditions on personnel